



Town of Scituate

FY 23 Operating and Capital Budget Overview

December 7, 2021



FY 21 Recap

- FY 21 certified free cash of \$5,044,671 driven by budget turn-backs from Coronavirus spending freeze and revenue that was better than initially expected
- General Fund receipts and New Growth up over projections: \$1,636,007 (\$2,006,001, \$573,712)
 - Driven by major development that continued despite pandemic
- Continued investment in capital including roads, school technology, facilities, foreshore protection, water and sewer infrastructure
- \$2,429,121 received in Plymouth County CARES Act reimbursements for the response to COVID-19
- Maintained AA+ Bond Rating



Coronavirus Impact

- 🇺🇸 Governor's Declaration of Emergency ended June 15, 2021
- 🇺🇸 Annual Town Meeting held with COVID protocols in place
- 🇺🇸 FY22 operational budget maintained some revenue reductions due to lingering economic uncertainty while loosening others
- 🇺🇸 \$3.1M in unbudgeted expenses to date in response to the virus
 - 🇺🇸 \$3.08M received to date through various state and federal programs
- 🇺🇸 Lingering impacts of the pandemic still affecting budgets with increases in building supplies, fuels, electricity and potentially chemical for water and sewer treatment



FY 22 YTD

- FY22 New Growth exceeded projections by \$653,298
- FY22 local receipts to date on par with FY21
- Forward momentum on storm repairs to foreshore structures from Storms Sandy, Nemo, Juno and Riley with MEMA assigned consultant and Town retained FEMA consultant
 - First legacy project completed and full reimbursement received of almost \$1M
 - Extensive engineering on multiple other projects ongoing
 - Town share of remaining projects on FY23 capital plan



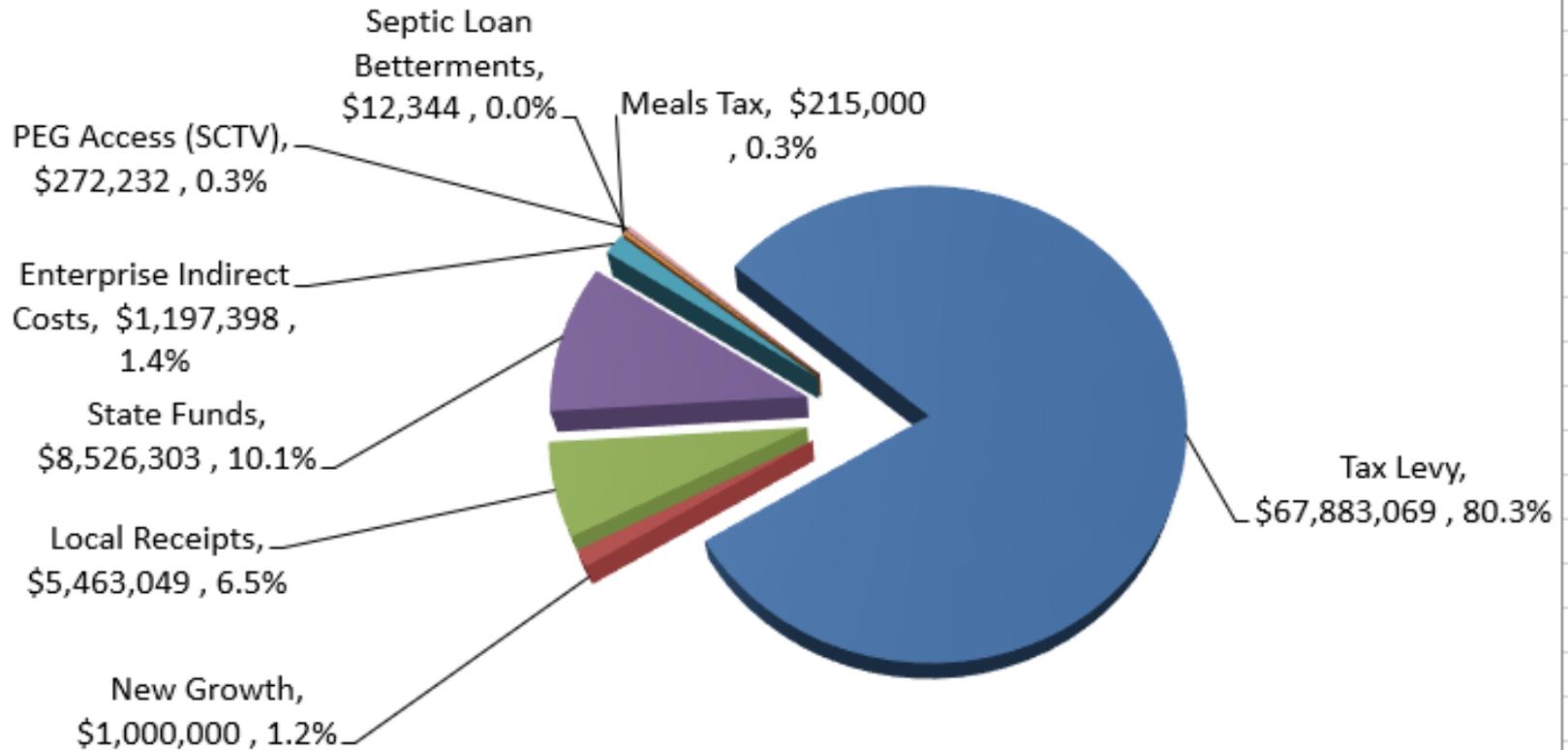
Revenue Assumptions

- Property taxes to increase by 2.5%
- State Aid is level funded to FY22 estimated level
- Local Receipts level funded to amended FY22 level of FY20 estimate less 2.5%
- Meals tax forecast at \$230,000 – pre-COVID level
- New Growth is projected at \$1M
- Financial Forecast Committee has met twice and plans to meet in late January after the MMA meeting to incorporate any adjustments to assumptions on health insurance, general liability and property insurance and state aid.



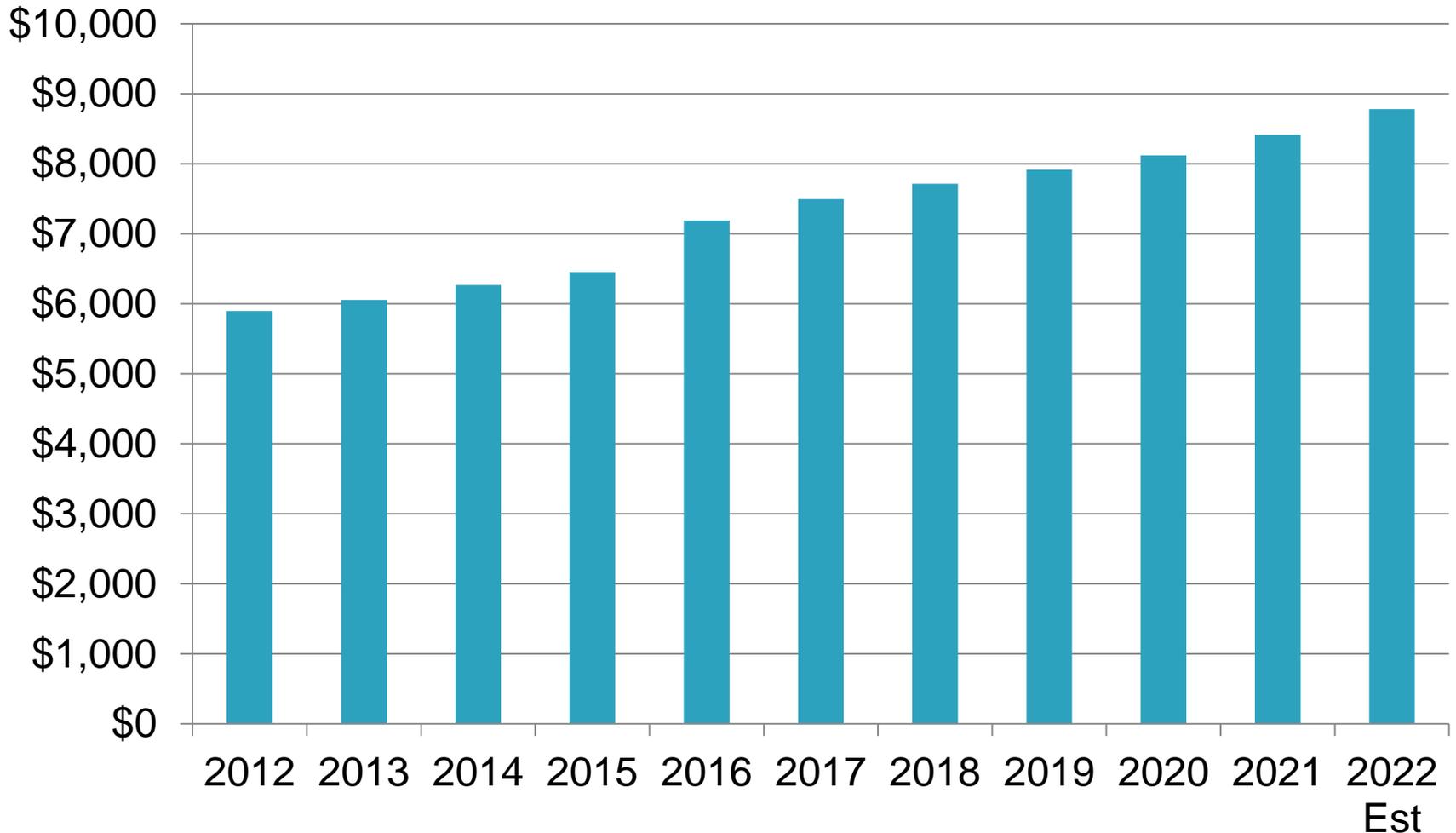
Revenue Sources

FY23 Revenue Sources





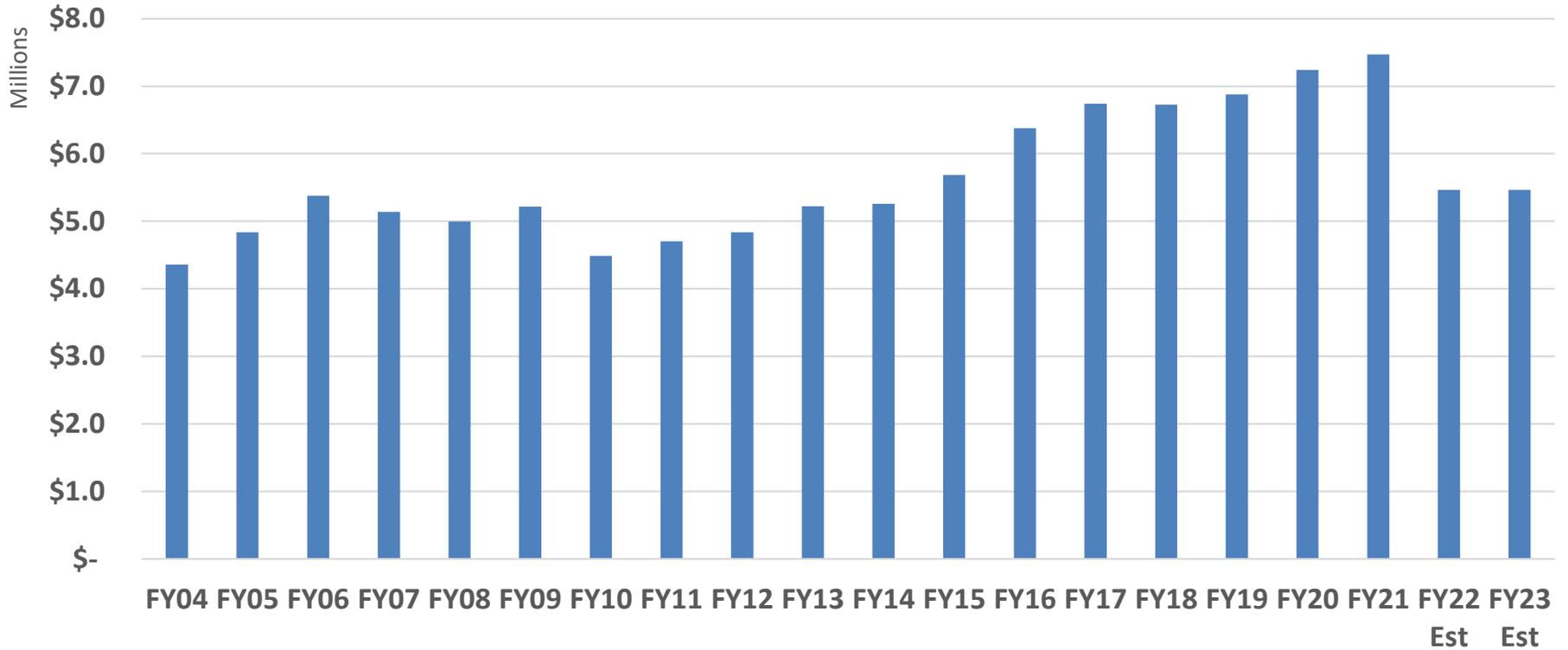
Average Tax Bill Based on Average Single Home Value





Local Receipts

Local Receipts FY04 - FY23 Est





Challenges

- Revenue and expense uncertainty in various areas due to lingering effects of pandemic
- Accommodating fixed cost increases for Employee Benefits (health, life insurance, FICA, unemployment) and negotiating new collective bargaining agreements
- Impact of pandemic on operations and delivery of services due to supply shortages, transportation limitations and workforce issues
- Significant staff time and funds dedicated to ocean and storm related impacts and preparation for future impacts (FEMA, emergency management, elevation grants, DPW clean ups, conservation, Hazard Mitigation)
- Competing for scarce grant funds to continue major initiatives including foreshore improvements and fund new ones while waiting for potential major infrastructure funding
- Balancing competing service demands for personnel with limited increases in available recurring revenue



FY 23 Operating Budget Focal Points

LEVEL SERVICES BUDGET

- In accordance with existing financial policies, FY 23 operating budget is balanced without using Free Cash
- New growth projected to increase due to continued development
- State aid receipts and assessments level-funded to FY22 levels
- Multiple union contracts still in ongoing negotiations.
- One new FT (40 hours/week) position created for Information Technology Department to start 1/1/23
- Additional hours for senior center staff including food service manager, kitchen assistant, activities and volunteer coordinator.
- Commitment to roads & foreshore protection with combined \$400,000 for those items in operational budget



Budgeted Fixed Costs FY 22-23*

Item	FY22 Budget	FY23 Proposed	Change
Employee Pension	\$5,759,996	\$6,213,897	\$453,901
Health Insurance	\$6,461,034	\$7,064,319	\$603,285
FICA	\$811,862	\$848,396	\$36,534
OPEB	\$115,200	\$124,278	\$9,078
Workers Comp	\$210,000	\$210,000	\$0
Unemployment	\$130,000	\$65,000	(\$65,000)
General Liability Ins	\$819,214	\$999,983	\$180,769
Debt Service	\$8,205,670	\$8,111,167	(\$94,503)
Regional School Assmnt	\$627,785	\$659,174	\$31,389

*Subject to refinement as more information becomes available during budget review



FY 23 Budget Highlights

- **Maintains** levels services programs and activities
- **Responds** to needs for additional services as supportable from recurring revenues at this time
- **Upholds** allocations for road improvements & foreshore protection
- **Continues** commitment to water and sewer infrastructure
- **Advance** foreshore protection projects with FEMA, ACoE and EOEEA funding assistance
- **Aggressively pursues** grant opportunities to augment taxpayer funds to address needs in all areas



FY 23 Recommended and 5-Year Rolling Capital Plan

- Addressed in a separate presentation provided to Select Board on November 16, 2021



Continuing Obligations for FY 23 and Beyond

- Adequate supply of water and expansion of sewer capacity and connections for residents
- Fixed costs such as pension and insurances will continue to increase
- New growth of past two years will slow as developments complete
- Continuing the commitment to the maintenance needs of the facilities as identified in the town-wide facilities study
- Balancing major facility needs of elementary school, water treatment plant and foreshore protection
- Lingering effects of pandemic and its affect on budgets and capital plans
- Securing scarce grant funds to ease burden on taxpayers and meet demands for capital improvements and program support and expansion